

Proposed Draft Strategic Plan for PAYMENT-TO-PARENT ASSISTED CHILD CARE FY02 – FY06

Background for Payment-To-Parents Program

In 1995, the Utah State Legislature instructed the Utah Department of Human Services, Office of Family Support(OFS) to design a more efficient payment method of the child care subsidy that supported the welfare reform philosophy of parental choice and personal responsibility. After more than a year of study, a workgroup of child care center providers, licensed family home child care providers, OFS staff, community advocates, and other interested parties developed the Payment-To-Parent Program which issued the subsidy to parents up front and based upon their needs. The workgroup was influenced by 3 key factors:

- The 1990 federal Child Care Development Block Grant (CCDBG) law which requires freedom of parental choice in the selection of child care;
- The success of the Single Parent Employment Program Demonstration project, begun in 1993, which rested heavily on the philosophy of parental responsibility; and
- The 1996 passage of the federal welfare reform law titled the Personal Responsibility and Work Opportunity Reconciliation Act.

The Payment-To-Parent Program was successfully implemented and piloted in Logan, UT for one year. After the creation of DWS, which subsumed OFS, the Program was implemented statewide on July 1, 1998.

In September 1999, DWS completed an internal audit of the Payment-To-Parent Program. The audit revealed some weakness in the area of process and early implementation of the program. The audit also documented potential program misuse. Prior to the completion of the audit, steps were already being taken to improve program procedures and strengthen training. DWS immediately took steps to reduce or eliminate fraud and develop strategies to improve control over the Program.

During the 2000 Legislative Session, the Legislature requested that DWS “evaluate changes to the current child care Payment-To-Parent Program, including evaluation of a possible new program.” DWS was also instructed to “evaluate imposing more stringent health and safety standards on child care providers of services for which assistance is provided under the Child Care Development Fund.” Changes were to be made in both areas if they were programmatically and fiscally feasible and in consultation with the Governor’s Office of Planning and Budget.

DWS identified four top priorities:

- Simplify processes and policy
- Ensure timely payments to providers
- Ensure dollars are being spent on child care
- Ensure safety for children

Effective October 1, 2000, policy and technical changes simplifying determination of child care need were implemented. At the same time, the payment method changed to a two-party check system. Checks are mailed to the parents. Parents have the responsibility to pay their provider. Emergency EBT up to \$125 is still available. DWS continues to look at methods to streamline processes and implement best practices.

Effective January 1, 2001, minimum health and safety standards were revised. Non relative, private home providers are now required to obtain a residential certificate. The new standards (residential certification) include: Background Investigation (BCI), First Aid, CPR, and annual monitoring of the residence. This process is being rolled out through June 30, 2001.

The purpose of the Child Care program is to support employment. Child Care Supportive Services are available to eligible parents who are employed or are participating in activities that lead to employment. Eligible parents include parents participating in the Family Employment Program, and parents in the general public who meet income and asset guidelines. Child care is also used to divert families from financial assistance by providing support to their employment and training activities.

The Child Care program provides payment to parents for their child care needs. The subsidy is based on the lesser of the monthly local market rate, participation cost and the provider charge. The subsidy may not cover the entire cost of care and can not exceed total cost of care or monthly local market rate. Customers are served at 56% of the State Median Income (SMI). Families with children with disabilities that have special child care needs may be served at 85% SMI. Rates are based on the 70th percentile of local market rate surveys.

DESIRED OUTCOMES	
Payment-To-Parents program offers: <ul style="list-style-type: none"> • Payment to parents for their child care needs. • Supportive services to parents who are eligible. 	

ACTIVITIES	TIMELINE	PRIORITY RANKING
Base the subsidy rate schedule on the 75 th percentile of local market rates.	undetermined	
Explore possibilities of creating a separate child care account in the EBT system. This would allow child care subsidies to be transacted only at child care facilities. The subsidy would be made available on the first of the month or on the benefit issuance date. Collaborative Partners: eFunds Government Services	undetermined	
Increase availability of child care in rural areas and during non traditional hours. (See Plan for CCR&R) Collaborative Partners: Department of Health, CCRR	ongoing	
Raise the income/eligibility levels at which customers qualify for assistance.	undetermined	
Research impacts of allowing longer certification/eligibility periods (up to 1 year) for customers receiving both Head Start and subsidy services. Collaborative Partners: Head Start, other DWS programs/services	undetermined	
Increase parental knowledge by providing child care education and resources to parents. (See Plans for CCR&R and Early Childhood Program) Collaborative Partners: CCR&R, DWS, OCC, DWS Employment Centers, Head Start	ongoing	

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